(ii) Prescription of scales of finance for crop loans as worked out by the technical committees constituted in each district for various crops and their uniform adoption by banks.

(iii) Disposal of loan applications upto Rs. 25,000/- within a fortnight and those over Rs. 25,000/- within eight to nine weeks.

(iv) Delegation of appropriate sanctioning powers to rural branch managers so that majority of loan applications from weaker sections are sanctioned at branch level itself.

(v) Liberal guidelines in regard to requirement of collateral security by way of mortage of land/charge on land or third party guarantee.

(vi) No margin is required for agricultural loans upto Rs. 10,000/- for short term, medium/long term.

(vii) The public sector banks have introduced the Agricultural Credit Card for farmers with good track record which enables farmers to secure production credit instantly and dispense with procedural formalities;

(viii) To ensure timely and adequate credit for sustaining agricultural production, banks have been asked to extend a flexible line of credit in the form of cash credit facility which would meet their composite credit requirements. (ix) Banks have been asked to finance high-tech activities like aquaculture, floriculture, tissue-culture, bio-technology, etc.; and (x) Banks have been asked to draw up special credit plans with a view to acheiving a distinct and marked improvement in the flow of credit to agriculture.

Evasion of excise duty by corporates and PSUs

2360. SHRl RAMDAS AGARWAL: Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to a newsitem published in the Financial Express, New Delhi edition dated 30th July, 1996 captioned "Top Corporates, PSUs lead in MODVAT evasion".;

(b) if so, the top ten corporates and PSUs leading in evasion of excise duty during 1996-97 as compared to 1995-96 indicating total loss to the exchequer on this account; and

(c) what remedial measures Government have taken so far to check this alarming trend of excise evasion rise amongst such corporates, PSUs and SSIs?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBRAM): (a) to (c) The information is being collected from all the Commissionerates and will be placed before the House after compilation.

Increase in import duty on paper

2361. SHRI S. MUTHU MANI: Will the Minister of FINANCE be pleased to state:

(a) whether Government are considering to impose 40 per cent import duty on paper as against the existing duty of 20 per cent;

(b) if not, whether Government are considering to allow import of paper without any duty;

(c) whether Government are considering to remove actual user condition presently imposed on the paper industry for imported waste paper and pulp; and

(d) whether Government are also considering to give exemption to State text book corporations from payment of excise duty for the relief of educational sector?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) and (b) Some representations have been received for increasing the basic customs duty on paper and paperboard from 20% to 40%. These are under examination by the Government.

(c) At present, the actual use condition applies only to wood pulp imported for the manufacture of newsprint. There is no proposal under consideration to remove this condition.

(d) In the Union Budget, 1996, full exemption from excise duty has been extended to specified writing and printing paper supplied by a paper mill to State Textbook Corporations/

Boards or the NCERT for printing of educational textbooks, against a purchase order placed upon the mill.

Lok Pal Bill

2362. SHRIMATI RENUKA CHOWDHURY: Will the Minister of LAW AND JUSTICE be pleased to state:

(a) whether it is a fact that Goverment propose to introduce Lok Pal Bill in the current
session of the Parliament; and

(b) if so, whether Lok Pal will be empowered to direct prosecution proceedings in regular courts against the persons who are found prima facie guilty during the investigation?

THE MINISTER OF STATE OF THE DEPARTMENT OF LEGAL AFFAIRS, LEGISLATIVE DEPARTMENT AND DEPARTMENT OF JUSTICE (SHRI RAMAKANT D. KHALAP): (a) and (b) Early introduction of Lok Pal Bill in the current session of Parliament is under active consideration of the Government.

Newsitem regarding larger borrowings

2363. SHRI SATISH AGARWAL: Will the
Minister of FINANCE be pleased to state:

(a) whether the newsitem appearing in the Economic Times dated 7th June, 1996; under the caption "Repayment humps may force larger borrowing" has come to the notice of Govemment; and

(b) if so, the measures taken in this regard for mobilising foreign Investment?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) Yes, Sir,

(b) The recent measurs for mobilising foreign investment included the following:

(i) Government have reconstituted the Foreign Investment Promotion Board. The Foreign Investment Promotion Council is proposed to be set up shortly. Together, they will expedite foreign investment approvals.

(ii) The restriction attached to the automatic approval procedure that value of foreign equity should cover the total import of capital goods has now been dropped.

(iii) The norms for Foreign Institutional Investors, External Commercial Borrowings and Global Depository Receipts have been liberalized to attract foreign investment.

Regional Rural Banks in Orissa

2364. SHRI ANANTA SETHI: Will the Minister of FINANCE be pleased to refer to the answer to Unstarred Question 991 given in the Rajya Sabha on 23rd July, 1996 and state:

(a) the number of Regional Rural Banks functioning in the State of Orissa;

(b) whether Government propose for setting up district area banks in private sector;

(c) if so, the details regarding the policy of Government in this regard; and

(d) whether any protest has been made by trade unions in this regard and if so, the reaction of Government thereon?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) There are nine Regional Rural Banks (RRBs) functioning in the State of Orissa.

(b) With a view to providing institutional mechanisms for promoting rural savings as well as for the provision of credit for viable economic activities in the local areas, it has been decided to allow the establishment of new local banks in the private sector. This is expected to bridge the gaps in credit availability and enhance the institutional credit framework in the rural and semi-urban areas.

(c) The Reserve Bank of India has issued the guidelines for setting up of local area Banks in the private sector. These include:

(i) These banks shall be registered as a public limited company under the Companies Act, 1956.

(ii) They will .be required to obtain a licence under the Banking Regulation Act, 1949.

(iii) The promotors of the bank may comprise individuals, corporate entities, trusts and societies.